

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

MICHAEL J. QUILLING, Receiver
for Advanced Financial Services, Inc.,

Plaintiff,

vs.

TRADE PARTNERS, INC., MACATAWA
BANK CORPORATION, successor by
merger to GRAND BANK, THOMAS
J. SMITH and CHRISTINE M. ZMUDKA,

Defendants.

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Civil Action No. 1:03CV-0236

AGREED ORDER APPOINTING RECEIVER

This matter came on before me, the undersigned United States District Judge, this 15th day of April, 2003, on the application of Plaintiff Michael J. Quilling, Receiver for Advanced Financial Services, Inc. ("Receiver") for the appointment of a receiver for Defendant Trade Partners, Inc. It appears that this Agreed Order Appointing Receiver is both necessary and appropriate in order to prevent waste and dissipation of the assets of the Defendant to the detriment of investors, including the receivership estate of Advanced Financial Services, Inc.

IT IS THEREFORE ORDERED:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, monies, securities, choses in action, and properties, real and personal, tangible and intangible, of whatever kind and description, wherever situated, of Defendant Trade Partners, Inc. (hereinafter "Receivership Assets").

2. Bruce S. Kramer, Borod & Kramer, P.C., Beale Street Landing, 245 Wagner Place, Suite 350, Memphis, Tennessee, 38103, with the phone number of (901) 524-0200, facsimile number (901) 523-0043, is appointed Receiver for the Receivership Assets. The Receiver is hereby authorized to take and have possession of the Receivership Assets. Until further order of this Court, the Receiver shall have complete and exclusive control, possession, and custody of all Receivership Assets.

3. All persons, including Defendant Trade Partners, Inc. and its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and specifically including any bank or other financial or depository institution holding accounts for or on behalf of Defendant Trade Partners, Inc. shall promptly deliver to the Receiver all Receivership Assets in the possession or under the control of any one or more of them and shall promptly surrender all books and records of any kind pertaining or belonging to Defendant Trade Partners, Inc.

4. All persons, including Defendant Trade Partners, Inc. and its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and all other persons, including sheriffs, marshals, and other officers, are stayed from:

(i) Commencing, prosecuting, continuing or enforcing any suit or proceeding, specifically including any proceeding pursuant to the United States Bankruptcy Code, against the Receiver or the Receivership Assets, except with the prior permission of the Court;

(ii) Using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any property owned by or in the possession of the Receivership Assets or the Receiver, wherever situated;

(iii) Attempting to modify, cancel, terminate, call, extinguish, revoke, or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security

agreement or other agreement with any of the Receivership Assets or any entity controlled by them;

(iv) Doing any act or thing whatsoever to interfere with the taking control, possession, or management, by the Receiver of the Receivership Assets and assets owned, controlled or in the possession of the entities in receivership, or to in any way interfere with or harass the Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Assets; and

(v) Causing the issuance of a subpoena on the Receiver except with the prior permission of the Court.

5. The Receiver is hereby authorized to make appropriate notification to the United States Postal Service to forward delivery of any mail addressed to Defendant Trade Partners, Inc. or any company or entity under the direction or control of the Defendant Trade Partners, Inc. to the Receiver. Further, the Receiver is hereby authorized to open and inspect all such mail, to determine the location or identity of assets or the existence and amount of claims.

6. The Receiver is hereby authorized to make such ordinary and necessary payments, distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance or preservation of the Receivership Assets. From and after the date of entry of this Order, the Receiver shall have the authority to conduct the business operations of the Defendant Trade Partners, Inc. and the entities it controls.

7. Until further Order of this Court, this Order prohibits the prosecution of any civil action or other proceeding against the Defendant Trade Partners, Inc. and the enforcement of any judgments against Trade Partners, Inc.

8. The Receiver is hereby authorized to employ such employees, accountants, and attorneys, including the law firm of Borod & Kramer, P.C., as is necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets.

9. The Receiver is hereby authorized to receive and collect any and all sums of money due and or owing to the Defendant Trade Partners, Inc., whether the same are now due or shall hereafter become due and payable, and is authorized to incur such expenses and make such disbursements as are necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets.

10. The Receiver is hereby authorized to institute, defend, compromise or adjust such actions or proceedings in state or federal courts now pending and hereafter instituted, as may in his discretion be advisable or proper for the protection of the Receivership Assets or proceeds therefrom, and to institute, prosecute, compromise or adjust such actions or proceedings in state or federal court as may in his judgment be necessary or proper for the collection, preservation and maintenance of the Receivership Assets.

11. Upon the request of the Receiver, the United States Marshal's Office is hereby ordered to assist to the Receiver in carrying out his duties to take possession, custody or control of, or identify the location of, any Receivership Assets. The Receiver is authorized to remove any person from any premises or real estate constituting a Receivership Asset that attempts to interfere with the Receiver, his attorneys or agents in the performance of their duties. The Receiver is further authorized to change any locks or other security mechanisms with respect to any premises or other assets that constitute Receivership Assets.

12. The Receiver and his retained personnel are entitled to reasonable compensation and expense reimbursement out of the Receivership Assets.

13. The Receiver shall have the authority to issue subpoenas to compel testimony of persons or production of records in a manner consistent with the Federal Rules of Civil Procedure

and the Rules of the Court concerning any subject matter relating to the identification, preservation, collection or liquidation of assets of the Receivership Assets.

14. The Receiver and his agents are entitled to rely on all outstanding rules of law and Court orders and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or his agents be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or agent for Receiver, nor shall the Receiver or his agents be liable to anyone for any actions taken or omitted by them except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties. The Receiver and his agents shall be indemnified and held harmless out of the Receivership Assets for all costs and expenses, including reasonable attorney fees, incurred as a result of such actions.

15. From time to time upon the application of the Receiver, the Court shall reissue this Order and upon application of the Receiver may amend this Order.

16. The Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary duties and obligations in this matter unless and until this Court so orders.

II.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes. The Receiver is hereby authorized, empowered and directed to apply to this Court, with notice to the Defendants named in this action for issuance of such other orders as may be necessary and appropriate in order to carry out the mandate of this Court.

III.

IT IS FURTHER ORDERED that this Order will remain in effect until modified by further Order of this Court.

SIGNED this 15th day of April, 2003.

/s/ Richard A. Enslen
UNITED STATES DISTRICT JUDGE

AGREED AS TO FORM AND CONTENT:

[1.] FOR PLAINTIFF MICHAEL J. QUILLING:

Arthur F. Selander by RFB with permission

Arthur F. Selander
Texas State Bar No. 18004300
D. Dee Raibourn, III
Texas State Bar No. 24009495
Quilling, Selander, Cummiskey & Lownds, P.C.
2001 Bryan Street, Suite 1800
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[2.] FOR DEFENDANT TRADE PARTNERS, INC.:

Robert F. Wardrop, II

Robert F. Wardrop, II (P31639)
Wardrop & Wardrop, P.C.
300 Ottawa Ave. NW STE 150
Grand Rapids, Michigan 49503
(616) 459-1225 (telephone)
(616) 459-7273 (facsimile)

Certified as a True Copy
Ronald C. Weston, Sr., Clerk
By *[Signature]*
Deputy Clerk
U.S. District Court
Western Dist. of Michigan
Date 4-16-03